

AG Strategies

Agriculture Business Strategies

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Farm Direct Sales: Know the Regulations

The purpose of this factsheet series is to help producers and processors understand the key elements needed to manage a business. The factsheets also discuss some of the essential components used to develop a business plan and assess the profitability of a business venture.

After attending a diversification conference, Pat and Bill Cameron decided to raise pastured chickens to sell at the local farmers' market, and to set up a u-pick strawberry operation on their farm. When the Camerons sell their chickens to a customer at the farmers' market they are conducting a farm direct sale. The u-pick is also a farm direct sales operation. If Pat were to process strawberries into jam, and sell them at a farm stand, this would also be a direct sale.

The market places (farmers' markets, u-picks and farm stands) in this example use the same sales technique – grower direct, but are controlled by different regulations. The food products – strawberries and free range chickens are also regulated by various marketing, labeling and inspection requirements. The location and operation of the business must comply with bylaws. The marketplace, the product and the location of the business all trigger a set of requirements for food safety and good business practices.

The Camerons are enthusiastic about the opportunity to sell directly to consumers, to see higher returns and immediate payment and to have more control over prices. However, the Camerons need to be aware of the regulations, such as the Public Health Act, labeling laws, marketing requirements, food inspection and municipal bylaws.

This factsheet focuses on the regulations and requirements that you must follow if you want to sell agri-food products directly to consumers. It includes information on:

- food regulations
- production and marketing legislation
- inspection
- grading and labelling
- business licenses and permits
- environmental requirements
- labor requirements

You will need to understand these requirements if you plan to sell any of the following commodities direct to the consumer:

- poultry or turkey
- dairy products
- eggs
- meat
- processed meat
- processed food
- fish
- fruits and vegetables
- honey
- organic products

To get a better understanding of the requirements, it is recommended that you review the entire factsheet. Focus on the commodity information that relates to your situation.

Options in Farm Direct Sales

Farm direct sales, also referred to as direct marketing, is producers or growers selling food products directly to consumers. Direct marketing is the simplest distribution method. Examples of direct marketing channels through which agricultural products are sold include: u-picks (pick-your-own), u-fish, farm stores, mobile vendor carts, mail order, farmers' markets, newspaper advertising and Internet. Due to lifestyle changes and a renewed interest in food choices, consumers are supporting the development of grower-direct markets.

Food Regulations

The Public Health Act is paramount over all other provincial statutes, except the Alberta Bill of Rights. Under public health provisions, the regional health authority can take any action needed to order the elimination of a health risk. The Act and its regulations are enforced by the provinces 17 regional health authorities.

The first step to developing your food business is to check with your local regional health authority for the requirements in opening and operating a food establishment.

"Food establishment" means a place, premise or vehicle where, in, on or from which food that is intended for consumption by the public is sold, offered for sale, supplied, distributed, displayed, manufactured, prepared, preserved, processed, packaged, served, stored, transported or handled, and includes a secondary meat processing plant.

All food establishments require a food establishment permit.

Check first with the regional health authority in the area that you are planning to process or sell a food product:

Chinook Regional Health Authority,
Lethbridge (403) 382-6666

Palliser Regional Health Authority,
Medicine Hat office (403) 502-8200

Headwaters Regional Health Authority,
Okotoks office (403) 938-4911

Calgary Regional Health Authority,
Calgary (403) 228-7570

Regional Health Authority #5,
Drumheller (403) 823-3341

David Thompson Regional Health Authority,
Red Deer (403) 341-2155

East Central Regional Health Authority,
Camrose (780) 679-2980

Westview Regional Health Authority,
Hinton (780) 865-2277

Crossroads Regional Health Authority,
Wetaskiwin (780) 361-4333

Capital Regional Health Authority,
Edmonton (780) 413-7927

Aspen Regional Health Authority,
Morinville (780) 939-3388

Lakeland Regional Health Authority,
Vegreville (780) 632-3331

Mistahia Regional Health Authority,
Grande Prairie (780) 513-7500

Peace Regional Health Authority,
Peace River (780) 624-7260

Keeweenaw Regional Health Authority,
Slave Lake (780) 849-3947

Northern Lights Regional Health Authority,
Ft. McMurray (780) 791-6078

Northwestern Regional Health Authority,
High Level (780) 926-7000

Alberta Health Website: www.health.gov.ab.ca

Food Regulations and the Farmers' Market

Alberta Agriculture, Food and Rural Development (AAFRD) approved farmers' markets provide a unique market opportunity. They are a place to sell homegrown produce, processed food (restrictions do apply) and handcrafted products directly to consumers. Only approved markets allow for the sale of some food products prepared in the home. Food processors often use these markets to test new products. Foods prepared in your home can't be sold at any other venue, including farm stores or flea markets.

The regional health authority has detailed requirements for the farmers' markets and the food vendors at the market in their area. If you plan to sell in different farmers' markets it's important to check the requirements for each location. Expect to meet requirements for:

- safe handling of perishable foods
- home-canned foods
- protection of foods
- storage and sanitation
- food handler hygiene
- food samples

Other provisions include:

- meat – uninspected meat and poultry must not be offered for sale
- milk – no person shall sell or offer for sale unpasteurized milk or milk products

Farmers' Market Guidelines

Each farmers' market determines its own operation guidelines, with the rules and regulations administered by Alberta Agriculture, Food and Rural Development. Number and type of vendors, hours of operation, market location, signage, and table rentals are all defined by the overseeing body of each market. Operational guidelines can be different at each farmers' market location. Check with the market manager listed in the farmers' market directory. This directory is available from your local Alberta Agriculture, Food and Rural Development office.

Market Garden Guidelines

U-pick farms can receive professional association benefits and promotion assistance from the Alberta Market Gardeners Association, a voluntary non-profit organization. Check on how this group can be of assistance.

Come To Our Farms is a map and directory they published for Alberta berry and vegetable farms. This directory is available from all Alberta Agriculture, Food and Rural Development offices.

For more information contact:

Alberta Market Gardeners Association
SS 4

Brooks, Alberta T1R 1E6

Telephone: (403) 362-3391

Fax: (403) 362-2554

Commodity Regulations

Depending on what commodities you decide to grow or raise, different rules and regulations affect the amount and the way you can sell your product. Quotas regulate some agricultural commodities, while others must meet standards or pass inspection. Legislation also affects the sale of some products. You also need to be aware of labeling and grading laws.

Find the commodities or products you're interested in and check the table to see which agencies you need to contact for more information. Details on the agencies are included in following sections.

Commodity	Production and Marketing Legislation	Inspection	Grading and Labeling	Licences/Permits
Poultry – chicken – turkey	– Alberta Chicken Producers Board – Alberta Turkey Growers Marketing Board	– Regulatory Services, AAFRD – Canadian Food Inspection Agency	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Dairy – processed dairy	– Alberta Dairy Board – Regulatory Services, AAFRD	– AAFRD* if less than 50 litres – Canadian Food Inspection Agency if greater than 50 litres	– Canadian Food Inspection Agency	– Alberta Dairy Board – local regional health authority – local municipal government office
Eggs	– Alberta Egg Producers		– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Meats	– Alberta Cattle Commission – Alberta Sheep and Wool Commission – Alberta Pork Producers Development Corporation	– Regulatory Services, AAFRD – Canadian Food Inspection Agency	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Processed Meats		– local regional health authority – AAFRD: provincial – Canadian Food Inspection Agency: federal	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Processed Foods		– regional health authority – Canadian Food Inspection Agency	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Fish	– approved fish species, AAFRD – commercial culture license, AAFRD	– regional health authority (for product) – AAFRD (for site operation)	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Fruits/Vegetables	– Alberta Vegetable (Processing) Producers – Potato Growers of Alberta	– regional health authority	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Honey	– Alberta Bee Act – Provincial Apiculturist, AAFRD	– regional health authority	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office
Organic Product	– Organic Industry Certification Standard – Commodity Board if applicable	– organic industry associations – regional health authority	– Canadian Food Inspection Agency	– local regional health authority – local municipal government office

* AAFRD – Alberta Agriculture, Food and Rural Development

Production and Marketing Legislation

The *Marketing of Agricultural Products Act* and regulations provide a legal framework for Alberta's agricultural commodity boards and commissions. Boards generally have production controls and licenses, marketing services and service charges, while commissions usually require licenses for dealers and service charges or check-offs. Both boards and commissions fund research projects and do market promotion. Before you produce or process any agricultural product, you should identify and study the laws under which you will operate. As well, federal marketing legislation may affect cross-boundary movement of these products.

The following list describes many of the agricultural products that have legal production or marketing requirements in Alberta. One list relates to commodities that are governed by boards; the other by commissions. These regulated products change from time to time so this list can't be considered all inclusive (specific definitions are provided in the respective regulations).

Boards

- chicken
- eggs from hens
- hatching eggs
- turkey
- potatoes
- sugar beets
- hogs
- vegetables for processing
(including peas, corn, wax beans, green beans, cucumbers, carrots, red beets, pumpkins, asparagus, tomatoes, cabbage and cauliflower, and any other vegetable produced for processing except potatoes and sugar beets)

Commissions

- barley
- canola
- pulse crops
- soft wheat
- sheep and wool
- winter wheat
- cattle

For more information:

Alberta Agricultural Products Marketing Council
#305, 7000 - 113 Street NW
Edmonton, Alberta T6H 5T6
Telephone: (780) 427-2164 Fax: (780) 422-9690
Website: www.agric.gov.ab/navigation/agencies/apmc

Quota

If you plan to raise chickens or turkeys, or produce fluid milk or eggs in Alberta, you need to understand marketing legislation. Each of these commodities, whether they are considered organic or processed, sets limits on how much you can produce before you must have quota. Quota is a license issued by the commodity association that gives you the right to produce a certain amount of product. In Alberta, it may be illegal to raise or sell controlled commodities without quota, unless you are below the production limit set by each commodity.

Poultry

The broiler chicken industry has a quota exemption. It allows a person to produce 2,000 birds or less per calendar year. Quota exempt chickens must be sold directly to end-users from the farm they were produced on or at a stall at a farmers' market. They must also be provincially inspected prior to sale. Quota is issued on a set weight of chicken produced per week. The weight/quota changes throughout the year to reflect seasonal consumer demand.

For more information:

Alberta Chicken Producers
#111, 4208 - 97 Street NW
Edmonton, Alberta T6E 5Z9
Telephone: (780) 488-2125 Fax: (780) 488-3570
E-mail: abcp@chicken.ab.ca

Turkey

In Alberta, a person can raise 300 turkeys or less in a calendar year on the land they reside on. The turkeys are for private sale and must be sold directly from the land or from a farmers' market stall. Once the turkey grower exceeds 300 birds produced in a calendar year, they are required to comply with quota requirements.

For more information:

Alberta Turkey Growers Marketing Board
#212, 8711A - 50 Street
Edmonton, Alberta T6B 1E7
Telephone: (780) 465-5755 Fax: (780) 465-5528
E-mail: abturkey@planet.eon.net

Eggs

The Alberta Egg Producers allocate quota according to dozens of eggs. Using a formula it determines the number of birds you can have in lay at any time. You can sell all the eggs produced from the allotted number of birds.

Provided you own or possess 300 or less laying hens you aren't required to have quota in Alberta. However, if you plan to use a registered grading station you must apply to the board under an exempt status. This allows you to market extra eggs through an egg grading station, provided you pay the marketing levy on those eggs.

For more information:

Alberta Egg Producers Board
#15, 1915 - 32 Avenue NE
Calgary, Alberta T2E 7C8
Telephone: (403) 250-1197 Fax: (403) 291-9216
E-mail: altaegg@telusplanet.net

Dairy

To produce and sell fluid milk in Alberta you must register with and be licensed by the Alberta Dairy Board. It's unlawful to sell or give away unpasteurized milk. Pasteurized milk is considered to be processed. Producing over 50 litres / day of cow's milk requires a processing license and quota. For details ask for a copy of the current *Milk and Cream Quota Policy Procedures and Guidelines*.

There's no quota requirement for goat or sheep's milk, but producers must be licenced by the Alberta Dairy Board.

Before a license is issued, an inspector from Alberta Agriculture, Food and Rural Development's Dairy Section must complete a satisfactory inspection of the dairy buildings and equipment.

For more information on registration and licensing contact:

Alberta Dairy Board
Wetaskiwin Alberta
Telephone: (780) 361 - 1231 Fax: (780) 361 - 1236
Web Site:
<http://www.agric.gov.ab.ca/navigation/agencies/adcb>

For more information or to arrange an inspection contact:

Alberta Agriculture, Food and Rural Development
Regulatory Services Branch
Telephone: (780) 422-7249 Fax: (780) 427-1437

Potatoes

Potato growers are regulated under the *Marketing of Agricultural Products Act*. Any person planting more than five acres of potatoes must register with the Potato Growers of Alberta (PGA). Before a registered grower can sell potatoes they must hold a producer's license from the PGA.

Potato packers must apply for a packer's license before they can buy potatoes from a registered grower. Dealer licenses are issued to businesses that buy, receive or sell potatoes. All businesses involved in the processing of potatoes must hold a processor's license. When a potato business undertakes several processing steps, from growing to packing to dealing to processing, it must hold a license for each activity.

For more information:

Potato Growers of Alberta
6008 - 46 Avenue
Taber, Alberta T1G 2B1
Telephone: (403) 223-2262 Fax: (403) 223-2268
E-mail: pga@potatonet.com

Inspection

To ensure that we have a safe food supply, meat, poultry, fish, dairy products, processed foods or organic foods that are sold directly to consumers must be inspected. All levels of government (local, provincial and federal) are involved in the inspection of foods. Certified organic food products are regulated and inspected by industry bodies. See listing on page 8.

Livestock

There are two options for livestock producers who sell animals directly to a consumer. The simplest option is for the customer to purchase a live animal from the producer. The buyer then arranges for slaughtering and processing for their own consumption. Another option is for the producer to have an agreement with the abattoir where the producer supplies animals on a regular basis for sale to specified customers. The abattoir provides a "custom kill" service to this producer. Consumers are responsible for picking up their meat order or arranging for delivery.

Meat slaughtered and wrapped by a mobile abattoir can't be sold.

According to the *Diversification Livestock Act*, deer, elk and moose from licensed farms must be slaughtered in an approved facility listed in the schedule of the legislation. This applies even if the meat is for the personal consumption of the owner. The legislation also requires that the carcass be stamped. Only specified plants are equipped to meet the requirement (currently under review). The list of approved abattoirs is available from: Alberta Agriculture, Food and Rural Development's Diversified Livestock Branch, Inspection Services, (780) 427 - 4567.

If producers plan to sell cut, wrapped or processed meat, the following meat inspection regulations apply. In addition, the producer is required to have a food establishment permit and meat storage and temperature control requirements.

Provincial Meat Inspection

All businesses that slaughter, cut and wrap red meat and poultry for human consumption in Alberta are regulated by the provincial government. All abattoirs must be licensed and provincially inspected by a meat inspector.

For more information:

Alberta Agriculture, Food and Rural Development
Regulatory Services Branch
3rd Floor, O.S. Longman Building
Edmonton, Alberta T6H 4P2
Telephone: (780) 422-7249 Fax: (780) 427-1437

Federal Meat Inspection

All meat shipped out of the province must be processed in federal plants. Food industry meat buyers and grocery store meat buyers may also demand federally inspected meat.

The *Meat Inspection Act* is federal legislation that guides meat inspectors who inspect all packing plants registered under the Act. The regulations in the Act also outline how the animals and meat are to be handled at all stages of meat processing.

For more information:

Canadian Food Inspection Agency

Calgary –

Telephone: (403) 299-7660

Fax: (403) 221-3296

Edmonton –

Telephone: (780) 495-3333

Fax: (780) 495-3359

Web Site: <http://www.cfia-acia.agr.ca>

Processed Meat Regulations

The *Meat Inspection Act* is designed to ensure consumers get safe, non-adulterated and correctly labeled meat products of Canadian and foreign origin. Meat inspectors regularly tour meat product plants to assess how well the processor is controlling formulation, the method of preparation and the use of restricted ingredients. All meat products prepared in a registered establishment have a domestic or foreign label.

Contact:

Alberta Agriculture, Food and Rural Development
Regulatory Services Branch
O.S. Longman Laboratory Building
6909 - 116 Street
Edmonton, AB T6H 4P2
Telephone: (780) 422-7249 Fax: (780) 427-1437

Meat Processing Facilities in Alberta: Regulations, Technology and Design is the manual of standard practice for Alberta meat processors. This manual is designed to provide an orderly approach to regulations and technology required for the development of safe, efficient abattoirs and meat processing facilities.

To order a manual contact:

Alberta Meat Processors Association
Telephone: (780) 922-6006 (priced publication)

Dairy Products

All dairy production and processing facilities regardless of volume are subject to inspection. Alberta Agriculture, Food and Rural Development's Dairy Section administers regulatory functions pertaining to the *Dairy Industry Act*, National Dairy Code and references other government agencies.

Contact:

Alberta Agriculture, Food and Rural Development
Regulatory Services Branch
O.S. Longman Laboratory Building
6909 - 116 Street
Edmonton, Alberta T6H 4P2
Telephone: (780) 422-7249 Fax: (780) 427-1437

Fresh Vegetables

The *Vegetable Sales (Alberta) Act* provides grade standards, packaging requirements and inspection authority for the marketing of fresh vegetables in Alberta.

Contact:

Canadian Food Inspection Agency (CFIA)
Alberta Regional Office (Calgary)
Room 654, 220 - 4th Avenue S.E.
Calgary, AB, T2G 4X3
Telephone: (403) 292-6746 Fax: (403) 292-6629

or

Edmonton office
Room 205, 7000 - 113 Street
Edmonton, Alberta T6H 5T6
Telephone: (780) 495-3333 Fax: (780) 495-3359

Farm Raised Fish

Before you operate a u-fish business or sell privately raised fish in Alberta, you will need a commercial fish culture license. The license can be purchased from Alberta Agriculture, Food and Rural Development's Aquaculture Section. As a license holder your premises are subject to inspection. Rainbow trout is the main type of species raised, although other trout and warm water fish may qualify.

For more information:

Alberta Agriculture, Food and Rural Development
Aquaculture Section
Licensing and Inspection Branch
Agriculture Centre
100, 5401 - 1 Avenue S.
Lethbridge, AB T1J 4V6
Telephone: (403) 381-5170

Honey

To comply with the *Alberta Bee Act* you must register with the provincial apiculturist annually. Sections under the *Livestock and Livestock Products Act* relate to honey. The Canadian Food Inspection Agency (CFIA) administers federal regulations on honey. All honey must be fit for human consumption and free of foreign material.

For more information:

Alberta Agriculture, Food and Rural Development
Provincial Apiculturist
Crop Diversification Centre North
Telephone: (780) 422-1789

Processed Food

The *Public Health Act* regulates the processing of foods. Each regional health authority is responsible for administering the act and its regulations. All food establishments require a food establishment permit. Before you begin processing any food your facility must be inspected. The health inspector also investigates your processing facility to spot potential health hazards and to respond to complaints.

For more information:

Contact your local regional health authority

Organic Food

All farm operations wishing to label their products as organic must be inspected and evaluated by an organic certification body.

Now that national organic standards have been approved, certification will be implemented on a national basis. Organic certification inspectors ensure that the farms are using organic growing practices. Certification requires an inspection and a farm audit trail. A farm audit trail refers to documents such as a farm map, field history record, input records, harvest records, storage/bin inventories and sales records to assess organic growing practices.

For more information contact one of the following organic organizations in Alberta:

Organic Crop Improvement Association
Nedra Stanley
Alberta OCIA # 1
Box 351
Rochester, Alberta T0G 1Z0
Telephone: (780) 698-3981 Fax: (780) 698-3948

Sustainable Agriculture Association Alberta OCIA # 2
Box 1181, Station M
Calgary, Alberta T2P 2K9
Telephone: 1-888-561-2555

Biological Food Producers Association
Gary Derheim
Alberta OCIA # 3
Box 989
Vulcan, Alberta T0L 2B0
Telephone: (403) 528-2010 or 549-2208
Fax: (403) 528-2015
E-mail: adeeheim@memlane.com

Peace River Organic Producers Association
Marina Buchan
Box 61
Silver Valley, Alberta T0H 3E0
Telephone: (780) 351-2115 Fax: (780) 351-2115
E-mail: orbuch@telusplanet.net

Canadian Organic Advisory Board
Robert McDonald
Executive Director
Suite 506, 206 7th Ave. S.W.
Calgary, Alberta T2P 0W7
Telephone: (403) 262-4640 Fax: (403) 262-4630
E-mail: coab@cadvision.com

Labeling and Grading

Consumers want to be informed about the products they are buying. Grading and labeling standards inform consumers about the quality, nutritional content, safety and ingredients in a product. Detailed regulations have been developed for grading and labeling.

Labeling

All products that are pre-packaged must be labeled according to federal regulations. The type and amount of information on a food product label is regulated by the Canadian Food Inspection Agency (CFIA). The detail that must be included on the label depends on the type of food and the marketing channel used. Labeling of all food products must include the following information:

- the common name of your product
- the net quantity
- your name and address
- list of ingredients (in descending order of amount)
- durable life date, if shelf life is 90 days or less
- storage instructions (if required)
- Bilingual language, unless specifically exempt

Separate regulations are enforced for optional label information such as:

- nutrition, if you claim the product provides a nutritional benefit
- promotional or instructional information

For more information:

Canadian Food Inspection Agency
Website: www.cfia-acia.agr.ca
Calgary –
Telephone: (403) 299-7660 Fax: (403) 221-3296
or

Edmonton –
Telephone: (780) 495-3333 Fax: (780) 495-3359

Universal Product Codes (UPC)

The UPC is a unique 12-digit, all numeric, machine readable bar code that identifies the consumer package. It makes product identification and retail inventory management simpler and more accurate. Although you will not require a bar code for direct sales, as you expand your sales, you may be required to obtain one.

For more information:

Electronic Commerce Council of Canada
885 Don Mills Road, Ste. 301
Don Mills, Ontario M3C 1V9
Telephone: 1-800-567-7084
Website: <http://www.eccc.org/>

Grading

The *Canada Agricultural Products Act* includes sections on grading in the Processed Products Regulations. Grading standards have been developed for an extensive list of agricultural products. The list of grading standards ranges from livestock and poultry to canned, frozen and dehydrated fruits and vegetables. Standards of identity have also been developed for certain types of fresh fruit and vegetables.

Example:

Potatoes are graded according to size and quality. The four Canadian grades are Canada No. 1, Canada No. 1 Large, Canada No. 1 Small and Canada No. 2.

If you plan to sell potatoes in Alberta, you can use the grade-Alberta No. 1 small for potatoes 25-50 mm (1-2") in diameter. This grade may be used for potatoes sold from July 1 to September 15 of each year.

For more information:

Canadian Food Inspection Agency

Calgary –

Telephone: (403) 299-7660

Fax: (403) 221-3296

or

Edmonton –

Telephone: (780) 495-3333

Fax: (780) 495-3359

Web Site: <http://www.cfia-acia.agr.ca>

Potato Growers of Alberta

6008 - 46 Avenue

Taber, Alberta T1G 2B1

Telephone: (403) 223-2262

Fax: (403) 223-2268

E-mail: pga@potatonet.com

Cosmetic Labeling and Notification

If you plan to sell vegetable, animal, essential or botanical oils to be used in cosmetics, you need to understand cosmetic labeling. A cosmetic is a substance or mixture that is sold or represented for use in cleansing, improving or altering the complexion, skin, hair or teeth. This includes deodorants and perfumes.

Cosmetic preparations are subject to the provisions of the *Food and Drugs Act* and its regulations regarding composition, safety, labeling and advertising. Additionally, cosmetics are subject to the provisions of the consumer *Packaging and Labeling Act* and its regulations regarding bilingual labeling, deceptive packaging and net quantity declaration in metric units.

The claims made about a product determine whether it's regarded as a drug or as a cosmetic. Statements considered to be drug claims are inappropriate for products intended to be marketed as cosmetics.

Sections 10 and 30 of the cosmetic regulations require that a cosmetic notification form be submitted to the Health Protection Branch prior to the importation of a cosmetic, or within 10 days of the first sale if the product is manufactured in Canada.

For more information:

Health Protection Branch

Suite 840, 9700 Jasper Avenue

Edmonton, Alberta T5J 4C3

Telephone: (780) 495-3380

Fax: (780) 495-2624

or

Room 282, 220 - 4th Avenue S.E.

Calgary, Alberta T2G 4X3

Telephone: (403) 292-4677

Fax: (403) 292-4644

Website: <http://www.hc-sc.gc.ca>

Business Licenses/Permits

Most municipalities in Alberta require businesses to register for a business license. The fee for the license varies with the type of business you plan to operate.

Be sure you understand the zoning and by-law regulations for your municipality. If you plan to build or renovate buildings to house a new business, you may need to seek approval from the planning and building departments in your municipality. In most cases, the municipality wants to check over building or renovation plans before it issues a building permit. If you plan to operate a farm store on your farm you need to research the sign laws and allowance for right of way boundaries on primary and secondary highways.

For more information:

Contact your local municipal office

Environmental Requirements

Alberta Environment requires that most food processing facilities be either approved or registered with Alberta Environment. Contact the approvals engineer in your region for more information on the approval or registration application.

Bow	(403) 297-7602
Northern East Slopes	(780) 963-6131
Parkland	(403) 340-7721
North East Boreal	(780) 427-7617
North West Boreal	(780) 624-6402
Prairie	(403) 381-4532

Weights and Measures

The *Weights and Measures Act*, administered by Industry Canada, requires that you use approved scales, of the appropriate size, for your operation. Scales must be initially inspected.

For information contact:

Measurement Canada
Edmonton (780) 495-2491
Calgary (403) 292-5609

Labor Requirements

Federal law requires that all employers collect and remit Canada Pension contributions (CPP), Employment Insurance (EI) premiums and personal income tax to the Government of Canada.

For more information contact:

your Revenue Canada tax service office

Alberta Human Resources and Employment administer the labor standards provisions under the *Employment Standards Code*. Issues include wages, hours of work, vacations and general holiday pay, maternity leave, termination of employment, and the employment of adolescents and young persons.

Contact:

Alberta Human Resources and Employment
Employment Standards Office
Edmonton (780) 427-3731

Worker's Compensation

You may be required to participate in Worker's Compensation, depending on your business.

Contact:

Worker's Compensation Board
9712 - 107 Street
Edmonton, Alberta
Telephone: (780) 498-4000
Website: <http://www.wcb.ab.ca/indet.html>

Summary

Follow these five steps to find the best farm direct sales choice for your business.

1. Assess and list the farm direct sales options that work well in your business.
2. Research and develop a rough marketing plan for each option you are interested in.
3. Review the regulations listed in this factsheet and check off the ones that affect your plan.
4. Contact the agencies that administer the regulations and learn the rules before you start.
5. Review the marketing plan and the steps necessary to comply with the regulations.

This factsheet is intended as a basic introduction to the regulations and requirements that apply to direct agri-food product sales. It's not a comprehensive list. As you develop your business plan or expand your markets, be prepared to research more details.

Checklist for the Cameron example:

Pastured chickens sold at farmers' markets

- ☐ production requirements and quota exemptions - Alberta Chicken Producers
- ☐ slaughter plant availability and inspection requirements Alberta Agriculture Food and Rural Development's Regulatory Services
- ☐ organic certification requirements - Sustainable Agriculture Association (optional)
- ☐ local regional health authority - permit requirements,
- ☐ Farmers' Market requirements - local market manager
- ☐ local municipal government for business permit
- ☐ labeling requirements - Canadian Food Inspection Agency

This isn't a comprehensive list, but it does indicate some of the key inquiries the Camerons should make before selling pastured chickens at a farmers' market.

Checklist for Cameron example

Strawberry u-pick

- ☐ local municipal government office for zoning, signage, business development and permit requirements
- ☐ local regional health authority for handling, storage and food establishment requirements
- ☐ weights and measures – CFIA (Canadian Food Inspection Agency)
- ☐ Market Garden Association for pricing and marketing guidelines

This isn't a comprehensive list but it does indicate some of the key inquiries the Camerons should make to establish a strawberry u-pick operation.

Resources available from Alberta Agriculture, Food and Rural Development to assist with the development of your agri-food business:

- *Business Basics for Alberta Food Processors – A Planning Guide*
- *So... You Want to Open a Food Business. A Step by Step Guide to Opening A Food Service Establishment*
- *Safe Food Practices for Small Processors* – resource kit and video
- *Starting and Growing Your Food Business*, Alberta Agriculture, Food and Rural Development
Website: <http://www.agric.gov.ab.ca>
- *AG-Strategies* – tools to help you plan your business
- *Market Basics* – series of factsheets on researching new markets
- *Farmers' Markets in Alberta : A Direct Channel of Distribution*
- *Northwest Processor* – the newsletter that links rural processors with research, technology and information
- *Directory of Farmers' Markets and Market Gardens in Alberta*

Other resources available to assist with development of your agriculture venture:

- *AG-Ventures* – a series of publications which highlight agriculture venture opportunities from alpaca to woodlot enterprises.
- *Ag - Alternatives* – a series to help you evaluate the feasibility of a new agricultural venture.

To access the resources listed or for more information on the services available to food processors and rural entrepreneurs, contact a Rural Development Specialist – Business at Alberta Agriculture, Food and Rural Development.

Rural Development Specialists – Business are available to help answer your business development questions.

Kerry Engel, Westlock(780) 349-4465

Lori-Jo Graham, Claresholm, (403) 625-1445

Lisa Houle, Hanna, (403) 854-5500

Sharon Homeniuk, Stony Plain (780) 963-6101

Tim Keating, Falher, (780) 837-2211

Slav Heller, St. Paul, (780) 645-6301

Kathy Lowther/Donna Fleury, Airdrie, (403) 948-8537

Janice McGregor, Morinville, (780) 939-4351

Leona Reynolds-Zayak, Vermilion,(780) 853-8101

Linda Hawk, Medicine Hat, (403) 529-3616

Lynn Stegman, Red Deer, (403) 782-3301

Jan Warren, Vulcan, (403) 485-5116

Marian Williams, Camrose, (403) 679-1210

Agri-food Specialists are available to help food processors answer questions about expanding markets.

Karen Goad, Grande Prairie,(780) 538-5285

Karen Hoover, Lethbridge, (780) 381-5130

Joyce Lencucha, Red Deer, (403) 340-5358

Sue Tenold, Airdrie, (403) 948-8504

The following specialists are available to answer marketing or processing questions related to specific commodities:

Fruits and Vegetables

Betty Vladicka, Edmonton (780) 415-2305

Alternative Livestock

Elton Dunk, Edmonton (780) 427-4526

Meats and Processed meats

Connie Zagrosh, Edmonton (780) 422-2614

For toll free access to any of the specialists first dial 310-0000.

You can contact all of the above specialists by e-mail
using the following formula: first name.last
name@agric.gov.ab.ca

Credits

Development Team

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Edmonton

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Environmental Health,
Edmonton

Betty Vladicka, AAFRD
Horticulture Development Officer,
Edmonton

Mike Pearson
Alberta Agricultural Products Marketing Council,
Edmonton

Connie Zagrosh, AAFRD
Agri-food Development Branch,
Edmonton

Floyd Mullaney AAFRD
Prevention/Enforcement Officer,
Red Deer

Eric Hutchings, AAFRD
Aquaculture Biologist,
Lethbridge

Jay Adams, AAFRD
Dairy Production Specialist,
Red Deer

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